



450 West Highway 22 || Barrington, IL 60010 || T 847.381.0123 || advocatehealth.com

March 27th, 2018

Via Overnight Courier

Ms. Courtney Avery, Administrator
Illinois Health Facilities and Services Review Board
525 West Jefferson Street
Springfield, IL 62761

RECEIVED

MAR 28 2018

**HEALTH FACILITIES &
SERVICES REVIEW BOARD**

Re: Project #13-016 Advocate Good Shepherd Hospital (the "Project")

Final Realized Cost Report

Advocate Health and Hospitals Corporation, (dba Advocate Good Shepherd Hospital),
and Advocate Health Care Network
Modernization Project

Dear Ms. Avery:

This letter is intended to satisfy Section 1130.770 Project Completion, Final Realized Costs and Cost Overruns, by providing the required information on Project #13-016. The Review Board granted the Permit for this project June 26, 2013. The notice of project completion was submitted on December 11th, 2017 indicating the project was completed on December 11th, 2017. The project was timely completed within the "Completion Date" of December 31, 2017, specified in the permit letter. This final report includes the following:

- Certification that the project costs, as itemized, represent all the costs required to complete the project and there are no additional or associated costs or capital expenditures related to the project.
- This also certifies compliance with all the terms of the permit to date, including the project cost, square footage and services.
- The final application and certification for payment is shown in the AIA G702 form.
- Because this is a project with a cost greater than three times the capital expenditure minimum in place at the time of the permit approval, an audited financial report that includes the itemization of costs and sources of funds was completed by an independent certified public account and is included as an enclosure. As a review was done in the

Advocate Good Shepherd Hospital
 Project #13-016
 Final Report – 2018

audit process, some of the previously reported expenditures were reallocated to different cost categories.

AGSH Project	Final Costs	Original Permit
USE OF FUNDS	TOTAL	TOTAL
Preplanning Costs	\$1,062,990	\$1,090,000
Site Survey and Soil Investigation	\$16,775	\$70,000
Site Preparation	\$7,323,843	\$10,200,000
New Construction Contracts	\$99,342,548	\$94,100,043
Modernization Contracts	\$57,327,746	\$43,454,010
Contingencies	-	\$11,681,725
Architectural/Engineering Fees	\$10,592,132	\$8,200,000
Consulting and Other Fees	\$492,306	\$2,050,921
Movable or Other Equipment (not in construction contracts)	\$31,112,657	\$44,978,386
Bond Issuance Expense (project related)	\$638,724	\$1,584,817
Net Interest Expense During Construction (project related)	\$7,078,974	\$24,187,145
Other Costs To Be Capitalized	\$2,555,207	\$5,244,035
TOTAL USES OF FUNDS	\$217,543,902	\$246,841,082

Sources:

SOURCES		
Cash and Securities	\$169,100,700	\$88,359,421
Bond issues (project related)	\$48,443,202	\$158,481,661
TOTAL SOURCES OF FUNDS	\$217,543,902	\$246,841,082

Please contact me at (630) 929-5577 or Sonja Reece at (309) 268-5482 if you have any questions about this report.

Advocate Good Shepherd Hospital
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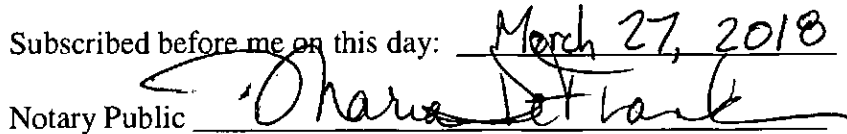
Sincerely,



Scott Nelson, AIA, ACHA
Vice President, Planning, Design, and Construction
Advocate Health and Hospitals Corporation

Subscribed before me on this day: March 27, 2018

Notary Public



Seal:



CC: James Kokaska
Paul Neff
Lanndon Rose
Trent Gordon
Sonja Reece

Attachments:
AIA G702 Final Payment

Enclosure:
Financial Audit of Project

AIA DOCUMENT G702

X	OWNER
X	ARCHITECT
X	CONTRACTOR

INVOICE # 13090008-53

CHANGE ORDER SUMMARY

This Certificate is not negotiable. The AMOUNTS CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

Odell Hicks & Company LLC
Certified Public Accountants

Advocate Health Care Network and
Advocate Health and Hospitals Corporation
d/b/a/ Advocate Good Shepherd Hospital

Illinois Health Facilities and Services Review Board
Modernization Project
IHFSRB Project #13-016
Project Costs Report

For the Period June 26, 2013 to December 11, 2017
(With Independent Auditors' Report Thereon)

ADVOCATE HEALTH CARE NETWORK AND
ADVOCATE HEALTH AND HOSPITALS CORPORATION
d/b/a ADVOCATE GOOD SHEPHERD HOSPITAL
Illinois Health Facilities and Services Review Board
Modernization Project
IHFSRB Project #13-016
Project Costs Report

Period from June 26, 2013 - December 11, 2017

	CON Permit Original	Final Funds Expended	Difference
Costs			
Preplanning Costs	\$ 1,090,000	\$ 1,062,990	\$ 27,010
Site Survey and Soil Investigation	70,000	16,775	53,225
Site Preparation	10,200,000	7,323,843	2,876,157
New Construction Contracts	94,100,043	99,342,548	(5,242,505)
Modernization Contracts	43,454,010	57,327,746	(13,873,736)
Contingencies	11,681,725	-	11,681,725
Architectural/Engineering Fees	8,200,000	10,592,132	(2,392,132)
Consulting and Other Fees	2,050,921	492,306	1,558,615
Movable Capital Equipment	44,978,386	31,112,657	13,865,729
Other Costs to be Capitalized	5,244,035	2,555,207	2,688,828
Total Construction Related	<u>\$ 221,069,120</u>	<u>\$ 209,826,204</u>	<u>\$ 11,242,916</u>
Net Interest Expense During Construction	24,187,145	7,078,974	17,108,171
Bond Issuance Costs	1,584,817	638,724	946,093
Total Finance Related	<u>25,771,962</u>	<u>7,717,698</u>	<u>18,054,264</u>
Total Project Costs	<u>\$ 246,841,082</u>	<u>\$ 217,543,902</u>	<u>\$ 29,297,180</u>
Source of Funds			
Cash and Securities	\$ 88,359,421	\$ 169,100,700	\$ (80,741,279)
Bond Issues	158,481,661	48,443,202	110,038,459
	<u>\$ 246,841,082</u>	<u>\$ 217,543,902</u>	<u>\$ 29,297,180</u>

ADVOCATE HEALTH CARE NETWORK AND
ADVOCATE HEALTH AND HOSPITALS CORPORATION
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Advocate Health Care Network and Advocate Health and Hospitals Corporation d/b/a Advocate Good Shepherd Hospital was issued a permit to modernize the existing hospital with new construction and expansion of services. The project includes several enhancements to hospital space including increasing the number of intensive care beds, consolidating the surgical/interventional suite and accommodating single occupancy, private medical-surgical beds, increasing the number of operating rooms, providing for 18 PACU I rooms and 52 post recovery rooms, modernizing the endoscopy suite and increasing the number of recovery rooms, modernizing other clinical services including radiology, ambulatory care, cardiovascular and pulmonary testing and therapies. In addition, the project includes modernizing certain non-clinical areas such as public/visitor space, administration, circulation, materials management, chapel and simulation laboratory. Work on the project was started on June 26, 2013 with the execution of a contract for construction of the Advocate Good Shepherd Hospital Modernization. The project was originally budgeted for \$246,841,082. However the actual cost of the project was \$217,543,902, \$29,297,180 less than the budget.